

ABSTRACT

The term “Development” is a value based and subjective concept which implies revealing untapped potential powers. In general terms, development means revealing favourable changes in set of vector of desirable social objectives which does not diminish over time. Within the comprehensive set development, the term “rural development” is a subset that exposes the overall development of agriculture and allied activities, village and cottage industries, village crafts, physical infrastructure, community services, natural and human capital in rural areas. In particular terms, rural development involves helping downtrodden small scale farmers, tenants and the landless people to seek a livelihood in the rural areas so as to control fruits of rural development.

The rural economy of India is predominantly agrarian in character. The agricultural subsector comprises crops cultivation, animal husbandry, dairying, fishing, poultry and forestry whereas small-scale rural industries, rural business and services belong to non-agricultural subsector. The Indian agriculture sector is fraught with several difficulties such as low factor productivity, low capital-labour ratio, long gestation period, small uneconomic land holdings, high vulnerability and risks to natural calamities, non-remunerative prices of farm produce, poor post-harvest infrastructure, high incidence of poverty, prevalence of illiterate and unskilled workforce as well as lack of modern amenities. During the post-independence period, favourable factors that contributed to the remarkable agricultural growth are the increased use of agricultural inputs, technological change and paradigm shift in institutional framework.

Among all factor inputs, farm credit is considered as the most vital input for agricultural and rural development. At national level, two events such as the introduction of the new agricultural technology by the end of 1960’s and nationalization of commercial banks in 1969 led to the paradigm shift in institutional credit supply mechanism. However, the nationwide implementation of financial reform measures during 90’s and thereafter resulted in decline of credit flow and squeeze on resource availability for agricultural activities due to strict implementation of Basel norms.

In the context of the present research study, a micro-level analysis on the basis of primary data has been conducted in the context of Jalpaiguri district of West Bengal. The district is located in the most northern part of the state and the economy is mainly based on agriculture and tea gardens. Apart from tea production, principle crops are paddy, wheat, maize, potato and jute respectively. Of the total workforce in the state, the share of cultivators and agricultural labourers constitute nearly 17 percent and 26 percent respectively. The majority number of people engaged in cultivation works belongs to small and marginal farmers’ category with average land holding size of 1.24 hectares only. The period of 90’s, saw limited additions to the number of service branches of commercial banks. However, the period beyond 2010-11 was marked by spread of bank branches at

statutory and census towns to fulfill the needs and aspirations of needy farmers and small scale entrepreneurs.

It has been observed from various previous research studies that much emphasis was put on the operational efficiency of Regional Rural Banks, performance of SHG–Bank linked micro–credit programme, rural poverty and unemployment issues, agrarian indebtedness and so on. But, such academic studies did not focus much in a systematic way into the issues on patterns of credit demand and supply in the farm sector of Jalpaiguri district. Therefore, during the course of research study, emphasis has been put on disaggregated trends of institutional farm credit flow at the national and state level, demand-side factors that account for variations in farmer households' demand for credit and credit supply patterns from institutional agencies. The present research study has also dealt with various aspects of non-institutional credit market with respect to landholding patterns, farming practices, rural caste-structure and infrastructure set-up prevailing at sampled areas of study district.

At the macro level, the period after 2004-05 witnessed gradual rise in rural and semi-rural bank branches accompanied by sharp rise in credit flow to agriculture sector. From 2001 to 2011, 17 major states from western, southern and northern India occupied major share of overall credit outstanding to agriculture between 2005 and 2015 period. On the other hand, in the eastern and north-eastern states the growth of credit outstanding to agricultural sector was negative in the 1990's followed by moderate rise after the 2000-01 period. The state of West Bengal acts as the nodal state for the entire eastern and north-eastern states. The state alone contributes 40 percent of the entire region's GDP. The state is home for nearly 72 lakh farm families of whom 96 percent belongs to small and marginal farmers' category. The farmers in West Bengal are less creditworthy than southern and northern states while wide inter-district variations exist in credit delivery status. The credit-deposit ratio of the state stands below the national average of 74 percent meaning banks in the state provide less amount of credit than they mobilize savings deposits from the people.

In nutshell, Development is a subjective matter and no general consensus can be reached about its proper meaning. The term rural development being a sub-component implies the overall development of rural areas encompassing agriculture, allied activities and non-farm sector. This research study intends to present a critical analysis on various aspects of agriculture and rural development of Jalpaiguri district. The main objective of this research study is to identify the existing institutional and physical infrastructure facilities at rural areas and their potentialities for the future development of rural sector of the study district. The present research study has also been carried out with wider application of different statistical tools and techniques to portray patterns of institutional credit flow to farm sector and farmer's demand behaviour pertaining to credit sourced from both institutional and non-institutional agents in the study area. With such wider application of statistical tools and techniques on sample data, suitable conclusions with constructive measures have been prescribed for the holistic improvement of rural sector in the study area.